

Message Text

SECRET

PAGE 01 SANTIA 01364 01 OF 02 030156 Z

73-62

ACTION SS-25

INFO OCT-01 ADP-00 CCO-00 SSO-00 NSCE-00 (ADP) W

----- 089120

O 030116 Z APR 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC IMMEDIATE 3888

S E C R E T SECTION 1 OF 2 SANTIAGO 1364

EXDIS

E. O. 11652: XGDS

TAGS: CI, PFOR, US

SUBJECT: U. S.- CHILEAN BILATERAL TALKS

REF: STATE 060026, STATE 060107

1. SUMMARY: IN RESPONSE TO MY REVIEW OF OUR POSITION, ALMEYDA ARGUED THAT OUR DEMANDS FOR DIRECT NEGOTIATIONS WERE UNREALIZABLE IN THE CURRENT CHILEAN CONTEXT, WHILE THE 1914 TREATY PROPOSAL PRESENTED SOMETHING WE COULD DO NOW TO MAKE PROGRESS. HE INDICATED

THAT THE GOC WOULD INTEND TO PRESENT ISSUES OTHER THAN COPPER TO A 1914 TREATY COMMISSION, BUT SAID IT MIGHT BE USEFUL FOR THE TWO SIDES TO EXPLORE THE QUESTION OF AN AGREED PRESENTATION. ALMEYDA EXPRESSED GRATIFICATION AT MY STATEMENT THAT OUR POSITION WAS NOT REJECTION OF THE 1914 TREATY NOR A RUPTURE OF THE TALKS, AND HE PROFESSED REGRET OVER THE PRESS LEAKS. ALMEYDA ADVISED ME HE WILL TREAT THE STATE OF OUR BILATERAL RELATIONS IN HIS OASGA SPEECH, BUT CLAIMED HE WOULD NOT GO INTO DETAIL ON THE TALKS. RE THE FMS QUESTION, HE SAID THE GOC POSITION WAS NOT A DEMAND FOR TOTAL MORATORIUM IN 1973-1974, BUT SAID INOSTROZA REPORTED THE PENTAGON WAS SEEKING AN " INFORMAL AGREEMENT" NOT TO RENEGOTIATE THOSE TWO YEARS. WE SOMEWHAT DOUBT THAT THERE WAS A PRIOR CALCULATED CHILEAN DECISION TO PROVOKE A CONFRONTATION, AS CHILEAN POLICY SEEMS TO BE RESPONDING TO A MIXTURE OF FACTORS WHICH INCLUDE ITT, SOME BELIEF THAT WE BROKE OFF, AND OTHERS. END SUMMARY.

2. I CALLED ON FONMIN ALMEYDA AND AMBASSADOR LETELIER THIS AFTERNOON AT 4 P. M. AS A COURTESY, I HAD ADVISED LETELIER
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PAGE 02 SANTIA 01364

CONFIDENTIAL

ADP000

SECRET

PAGE 01 SANTIA 01364 02 OF 02 030213 Z

73-62

ACTION SS-25

INFO OCT-01 ADP-00 CCO-00 SSO-00 NSCE-00 /026 W

----- 088636

O 030116 APR 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC IMMEDIATE 3896

S E C R E T SECTION 2 OF 2 SANTIAGO 1364

EXDIS

9. ALMEYDA EXPRESSED GRATIFICATION AT THIS EXPRESSION OF CONSTRUCTIVE ATTITUDE, BUT WENT ON TO CITE INOSTROZA' S EXPERIENCE WITH THE FMS NEGOTIATION AS AN INCIDENT WHICH HAD GIVEN THE CHILEANS CAUSE TO FEEL UNEASY ABOUT OUR ONGOING POLICY. I SAID MY UNDERSTANDING WAS THAT INOSTROZA HAD TAKEN THE POSITION HE WOULD SIGN OUR AGREEMENT, WORKED OUT LAST AUGUST, ONLY IF CHILE WERE ADDITIONALLY RELIEVED OF 1973-1974 FMS PAYMENTS. ALMEYDA AND LETELIER SAID THIS WAS NOT THEIR UNDERSTANDING OF THE GOC POSITION. THEY SAID THEY UNDERSTOOD INOSTROZA WANTED TO EXTEND THE RENEGOTIATION AT ROUGHLY THE 30 PERCENT LEVEL FOR AN ADDITIONAL TWO YEARS. I POINTED OUT THAT MY GOVERNMENT - APART FROM THE DIFFERENT CONTEXT OF FMS - COULD NO MORE ANTICIPATE A PARIS CLUB DECISION ON 1973-1974 THAN COULD THEY - IN THEIR VIEW - COMMIT THEMSELVES TO FULL SERVICING FOR TWO ADDITIONAL YEARS. LETELIER SAID THAT THE 1972 AGREEMENT HAD BEEN SILENT ON 1973 AND 1974, AND THIS MIGHT BE THE WAY OUT. I ASKED IF THE U. S. SIDE WAS PROPOSING TO MODIFY THE TEXT WORKED OUT LAST AUGUST. LETELIER ACKNOWLEDGED THAT HE DID NOT THINK SO, BUT HIS IMPRESSION WAS THE PENTAGON WAS ASKING FOR AN ORAL AGREEMENT OR " GENTLEMEN' S UNDERSTANDING" THAT CHILE WOULD NOT SEEK TO RENEGOTIATE 1973-1974 SERVICING. I SAID I WOULD SEEK FURTHER CLARIFICATION. ALMEYDA SAID THE CHILEANS WOULD CLARIFY THEIR INSTRUCTIONS TO INOSTROZA - AS HIS POSITION AS I REPORTED IT DID NOT APPEAR TO BE GOC POLICY.

10. AS PER PARAGRAPH 3 OF STATE 060026, I RECONFIRMED WITH

AMBASSADOR LET266

THE KROGER COMPANY

1240 STATE AVENUE

CINCINNATI, OHIO

45204 1,119,908 8,466 0.2517

THE NESTLE CO., INC.

100 BLOOMINGDALE ROAD

WHITE PLAIN, N. Y. 113,728,500 859,782 25.5593

10605

WM. B. REILY & CO., INC.

640 MAGAZINE STREET

NEW ORLEANS, LA. 5,518,385 41,719 1.2402

SAFEWAY STORES, INC.

P. O. BOX 12952

OAKLAND, CALIF.

94602 2,412,954 18,242 0.5423

S. A. SCHONBRUNN & CO. INC.

GRAND & RUBY AVENUES

PALISADES PARK, N. J.

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PAGE 03 STATE 060750

07650 2,838,500 21,459 0.6379

STANDARD BRANDS, INC.

625 MADISON AVENUE

NEW YORK, N. Y. 10022 3,890,937 29,415 0.8744

TENCO

P. O. BOX 15

U. S. ROUTE 1

LINDEN, N. J. 07036 13,137,429 99,318 2.9525

UNITED INSTANT COFFEE CORP

72 MILL STREET

PATERSON, N. J. 07509 1,967,590 14,875 0.4422

TOTAL 444,958,703 3,363,866 99,9998

NQUOTE

2. PRODUCTION DATA FOR BORDEN, KROGER, AND TENCO HAVE BEEN TABULATED TO AVOID DUPLICATION. PERCENTAGE SHARE OF EACH MANUFACTURER BASED SOLELY ON PRODUCTION IN THEIR

RESPECTIVE U. S. PLANTS DURING 24- MONTH BASE PERIOD.

3. FYI WE CONSIDER APPROPRIATE THAT, IN FULFILLMENT OUR OBLIGATION UNDER PARA (D) OF SOLUBLE AGREEMENT, WE PROVIDE THESE DATA TO GOB IN ROUTINE MANNER. THIS ACTION MAINTAINS CONSISTENCY U. S. POSITION CONTENDING SOLUBLE AGREEMENT CONTINUES FULLY IN FORCE DESPITE GOB DELINQUENCY IN FULFILLMENT ITS OBLIGATIONS THEREUNDER. END FYI.

4. EMBASSY REQUESTED DELIVER THESE U. S. SOLUBLE PRODUCTION DATA TO GOB PRIOR TO APRIL 15 IN CUSTOMARY FASHION. RUSH

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*** Current Handling Restrictions *** EXDIS

*** Current Classification *** SECRET

Message Attributes

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Concepts:
Control Number: n/a
Copy: SINGLE
Draft Date: 03 APR 1973
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: RR
Errors: n/a
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Original Handling Restrictions: EXDIS
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
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Subject: U. S.- CHILEAN BILATERAL TALKS
TAGS: PFOR, CI, US
To: SECSTATE WASHDC
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Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005